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Message Text

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10
ACTION EB-07

INFO OCT-01 EUR-12 EA-06 NEA-09 ISO-00 AID-05 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 L-02 H-02 NSC-05

SS-15 STR-04 CEA-01 /093 W
---------- 014715
R 272240Z MAR 75
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 6026
INFO AMEMBASSY BONN
AMEMBASSY NEW DELHI
AMEMBASSY TOKYO
AMEMBASSY LONDON
AMEMBASSY BERN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY OSLO
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY VIENNA

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E.O. 11652: N/A
TAGS: EAID CA
SUBJECT: DEBT RELIEF AND THE AID-TO-INDIA CONSORTIUM

REF: STATE 66345

1. DRAWING ON POINTS CONVERED PARA THREE REFTEL, EMBOFF
DISCUSSED PROBLEMS OF RESCHEDULING INDIA'S DEBT WITH OFFICIALS
FROM FINANCE DEPT., INTERNATIONAL PROGRAMS DIVISION AND
EXTAFF AID AN DEVELOPMENT DIVISION. GENERALLY SYMPATHETIC
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TO USG OBJECTIVES, GOC OFFICIALS VOICED CONCERN ABOUT POSSIBLE

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DECREASE IN OVERALL AID TO INDIA AS RESULT U.S. DECISION NOT TO RESCHEDULE DEBTS THIS YEAR BUT ACKNOWLEDGED GOC MAY ALSO NOT BE ABLE PARTICIPATE IN RESCHEDULING UNLESS GOC/GOI BILATERAL DIFFICULTIES RESOLED.

2. ON MARCH 26 EMBOFF TALKED WITH DEPT OF FINANCE OFFICIALS ON INDIAN DEBT RESCHEDULING. THEY WERE NOT SURPRISED OVER USG DECISION AND SAID THEY WERE EXPECTING ACTION ALONG THESE LINES AS THEY WERE AWARE OF U.S. CONGRESSIONAL HARDENED ATTITUDE TOWARDS DEBT RELIEF. ALTHOUGH THEY RECOGNIZED ANOMALY OF THEIR VIEWS SINCE GOC DID NOT PARTICIPATE IN RESCHEDULING PROGRAM LAST YEAR, THEY EXPRESSED CONCERN THAT 1) CONSORTIUM CONCEPT MAY BE WEAKENED, 2) OTHER DONOR COUNTRIES MAY HARDEN THEIR LOAN TERMS TO INDIA, AND 3) OVERALL TOTAL ASSISTANCE TO INDIA MIGHT DECREASE.

3. FINANCE OFFICER PROMISED STUDY U.S. POSITION AND COMMUNICATE IT TO CIDA AND OTHER GOC AGENCIES. IF GOC DEVELOPS SPECIFIC SUGGESTIONS FOR FRUITFUL DIALOGUE BEFORE JUNE MEETING, THEY WILL TRANSMIT SUCH VIEWS TO EMBASSY.

4. ON MARCH 27 EMBOFF DISCUSSED MATTER WITH EXTAFF OFFICIAL CONCERNED WITH BILATERAL AID WHO APPARENTLY HAD ALREADY TALKED WITH FINANCE OFFICIALS AND WHO EXPRESSED SAME CONCERNS. HOWEVER, HE ADDED THAT GOC DELEGATION WOULD BE GOING TO INDIA "SOMETIME SOON" TO TRY RESOLVE BILATERAL ISSUE OF NUCLEAR SAFEGUARDS AND UNLESS THIS MATTER SETTLED BEFORE JUNE MEETING, CANADA WOULD PROBABLY AGAIN NOT PARTICIPATE IN DEBT RESCHEDULING. HE REQUESTED EXTAFF BE KEP INFORMED OF REACTIONS FROM OTHER DONOR COUNTRIES RE USG DECISION.
PORTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEBT REPAYMENTS, GOVERNMENT DEBTS, MEETINGS, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 27 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OTTAWA01156
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750108-0794
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975039/aaaaaift.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 66345
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2003 by ShawDG>; APPROVED <14 APR 2003 by GolinoFR>
Review Markings:

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US Department of State
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05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DEBT RELIEF AND THE AID-TO-INDIA CONSORTIUM
TAGS: EAID, CA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006